THE HONORABLE MARC L. BARRECA
Hearing Date: October 7, 2011
Hearing Time: 9:30 am
Hearing Location: Seattle
Response Date: October 5, 2011
Chapter 7

THE UNITED STATES BANKRUPTCY COURT FOR THE
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In Re: ADAM R. GROSSMAN, Debtor.	NO. 10-19817 DECLARATION OF ADAM GROSSMAN IN SUPPORT OF MOTION FOR ORDER DECLARING PROPERTY NOT ABANDONED FROM THE BANKRUPTCY ESTATE

I am the Debtor herein and the respondent in the King County dissolution proceeding between myself and my now ex-wife, Jill Borodin.

Attached hereto as **Exhibit A** is a copy of the decree of dissolution entered in my dissolution proceeding on December 14, 2010, that stems from a trial conducted on November 15-19, 2010. Attached hereto as **Exhibit B** are Findings and Order on Contempt Review Hearing entered in that same cause of action on September 7, 2011. Attached hereto as **Exhibit C** is the declaration of Denise Moewes filed in my post-dissolution proceeding.

BACKGROUND

I filed for bankruptcy under Chapter 11 pro se in June, 2010, under cause number 10-17334 and in July, 2010, under cause #10-18671, but both cases were dismissed because I knew little about the bankruptcy process and bankruptcy law and I grossly underestimated the complexities of Chapter 11. For my third filing, I retained an attorney and have remained represented by counsel since then.

Law Offices
JEFFREY B. WELLS
502 Logan Building
500 Union Street
Seattle, Washington 98101-2332
(206) 624-0088 • Fax (206)624-0086

When the present bankruptcy was initially filed, I understood that I could conduct business in the ordinary course, and had the belief that I could buy and sell real estate without court approval since real estate investment is the nature of my business. I have subsequently been informed that court approval for any real estate transfers should have been sought.

DISSOLUTION ISSUED

In the Decree of Dissolution issued by the Superior Court, from the community property and my separate property I was awarded full interest in businesses and rental properties.

Many of the assets I was awarded were sold to Keywest Financial LLC, a Georgia Limited Liability Company that had been in existence for several years, for the consideration of $400,000 less the balances owed on certain notes and scheduled as defined in the agreement of sale. I have always understood this consideration to be the property of the estate. I used the exact language from the Decree of Divorce for the express purpose of carefully describing only what was awarded to me.

I have learned that the bankruptcy system customarily applies a more narrow definition to "ordinary course of business" than I did and I did not fully understand this nuance at the time of the transaction.

MONTCREST PROPERTY

Included in the sale to Keywest Financial, LLC was a rental property located at 868 Montcrest Drive in Redding, CA. Consistent with the business model recommended by my California real estate attorney and the documents he prepared for purchases held by a Fund, the property was held in trust ("868 Montcrest Drive Trust 2010") with the named beneficiary as the Ptarmigan Real Estate Fund LLC, a business awarded to me. I believe the Court had intended, and did also, award this property to my ex-wife. This inconsistency was resolved in a matter of weeks.

Law Offices
JEFFREY B. WELLS
502 Logan Building
500 Union Street
Seattle, Washington 98101-2332
(206) 624-0088 • Fax (206)624-0086

I currently believe that I, nor anyone else, has the authority to execute transactions that remove assets from the bankruptcy estate absent an order of the Bankruptcy Court.

I contacted the bankruptcy trustee twice by phone and wrote three letters during the period that the agreement of sale allowed its termination "upon advice of counsel" (through January 31, 2011). First, the Superior Court ordered opposing counsel to obtain the opinion of the trustee which she was unable to do. Then, the Superior Court ordered me to obtain the opinion of the trustee which I did by arranging a conference call on or around February 1, 2011 between me, my former attorney, the trustee, and Ms. Moewes. During this call I was very explicitly ordered not to execute any documents that would remove assets from the bankruptcy estate and give them to my ex-wife pending further instruction by the trustee. The trustee did not document these directives in writing but my attorney did and his detailed corroboration was submitted to the Superior Court. See **Exhibit D.**

On February 9, 2011, the Superior Court nevertheless directed me to execute documents and remove assets from the bankruptcy estate. I strongly believed I would be violating federal bankruptcy law by removing assets from the bankruptcy estate absent any clarification from the trustee (now understood to be an order from the Bankruptcy Court) so I waited for the trustee's opinion expected each day. On February 24, 2011, I received notification that the trustee via Ms. Moewes had two days prior expressed the opinion that I should, without an order of the Bankruptcy Court, execute all documents and remove assets from the estate which I began to do. When filling in the Grant Deed for Keywest Financial LLC to sign and record, I looked up the parcel number online and saw that a Grant Deed had been recorded on January 7, 2011, giving ownership of the property to my ex-wife. See **Exhibit E.**. I then saw she had listed it on MLS.

Law Offices
JEFFREY B. WELLS
502 Logan Building
500 Union Street
Seattle, Washington 98101-2332
(206) 624-0088 • Fax (206)624-0086

This issue is of particular importance now because the Superior Court has ordered me to pay her $215,000 or face incarceration indefinitely starting October 20, 2011.

My ex-wife's false statements that I owned the Montcrest property, sold it for $215,000 around March, 2011, received this money, and should pay it to her have no merit, are completely false, and there is no evidence to support them. I have not received $215,000 or any financial gain whatsoever in any form except for the sale proceeds to be obtained from Keywest Financial LLC which I have always understood are the property of the bankruptcy estate. I do not have or control $215,000 or any similarly valued assets derived from any source. Online records show the current owner is Mandy Andrews. I do not know who this person is, I have never met this person, and I have never conducted business with this person.

I hereby declare under penalty of perjury under the laws of the State of Washington that the foregoing statements are true and correct to the best of my knowledge and belief.

Dated this 20th day of September, 2011.

__*/s/ Adam Grossman*________________
Adam Grossman

Law Offices
JEFFREY B. WELLS
502 Logan Building
500 Union Street
Seattle, Washington 98101-2332
(206) 624-0088 • Fax (206)624-0086